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January 1965

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INTELLIGENCE BRIEF

POOR AUTUMN HARVEST IN COMMUNIST CHINA
REDUCES DOMESTIC GRAIN SUPPLIES

DIRECTORATE OF INTELLIGENCE
Office of Research and Reports

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POOR AUTUMN HARVEST IN COMMUNIST CHINA
REDUCES DOMESTIC GRAIN SUPPLIES

In a speech to the National Peoples Congress on 21 December, Chou En-lai claimed that production of grain, cotton, and a number of other agricultural commodities in 1964 will all surpass the levels attained in 1957. This claim, however, is not borne out by agricultural developments since 1957 and particularly by events in 1964.

Production of grain and cotton in 1957 was claimed officially to be 185 million and 1.6 million tons,* respectively, but China has failed to reach this level of output again through 1964 except for the bumper crop year of 1958 (see Table 1). According to official statements, the total cultivated area of China is now nearly 5 percent less than in 1957. A detailed compilation of provincial acreage claims for 1964 reveals a decline of 8 percent in the sown area of grain and a decline of 22 percent for cotton below the level of 1957. With the current level of inputs and the recent adverse weather conditions, yields per hectare are not believed to have increased sufficiently to offset these declines in acreage. Furthermore, abnormally high losses of grain in storage are anticipated because the above-normal rainfall has clearly resulted in the storage of wet grain. Unwarranted optimistic remarks on economic prospects are endemic with the Chinese Communist leadership, and outright falsification of agricultural statistics (as in 1958 and 1959) can be unequivocally established.

Estimated production of grain in 1964 for the second successive year is below the 180 million tons believed to have been harvested in 1962. The significance of the decline in production of grain in 1964 to an estimated 170 million tons is enhanced by the growth of population. Including retained imports of 6.6 million tons, availability of grain per capita has declined by roughly 15 percent from the level of 1957. These record imports, largely a consequence of the lackluster agricultural performance, have been made at a cost of more than \$420 million (see Table 2). This total is to be compared with average annual imports of about 5.3 million tons for the period 1961 through 1963 at an average annual cost of about \$300 million. In contrast, the value of machinery and equipment imported in 1964 was only about \$150 million. The depressing impact of food imports on Peiping's available foreign exchange and therefore on China's industrial development is more than a short-term difficulty. The failure of the Chinese leaders to accord agriculture

* Tonnages are given in metric tons throughout this publication.

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a sufficient priority to raise production of grain to more adequate levels not only compounds the Malthusian problem but also impedes any significant modernization and growth of industry.

1. Effect of Excessive Rainfall

Although production of rice increased in 1964, it is believed that this gain was more than offset by a significant decline in output of miscellaneous grains (corn, barley, kaoliang, and millet), which normally account for almost 30 percent of China's total production of grain, and by a slight reduction in production of wheat. Production of autumn-harvested miscellaneous grains probably was the lowest in recent years. The acreage of these grains was reduced sharply in most areas by prolonged rainfall throughout the normal planting season. Heavy rainfall over most of the important producing areas, and particularly in North China, from late August through 20 September and throughout most of October reportedly delayed harvesting and caused very serious losses. In many areas the grain harvested was too wet for storage. The excessive rainfall in these areas also delayed and in some areas prevented the planting of crops sown in the fall, such as wheat, and may seriously affect the outcome of the spring harvest in 1965.

2. Short Supply in Parts of North China

A tight food situation is likely to occur in some parts of the country during the winter and spring of 1964/65, particularly in those parts of North China that were most affected by abnormally heavy rainfall. In South China, on the other hand, the favorable late harvest should provide ample supplies of food to maintain consumption during the winter and spring at about the same favorable level attained during the identical period in 1963/64.

Certain government measures for mitigating food shortages in the affected areas have been invoked. These measures include increased procurement of grain from areas with good harvests and continued large-scale imports of grain from the West. Contracts have already been negotiated for the delivery of 1.8 million tons of grain in the first half of 1965, with negotiations reportedly continuing for delivery of additional large quantities.

3. Gains in Meat, Fruit, and Vegetables

Although food consumption is below the level of 1957, which was considered adequate for Chinese requirements, it is well above that of 1960/61, when malnutrition was widespread. For the most part, this improvement since 1960/61 is attributed to large-scale imports of grain from the West and to a significant increase in the production of subsidiary foods (pork, poultry, fruits, and vegetables) obtained primarily from the private plots of the peasants. It is estimated that the share of subsidiary and other nongrain foods in the daily caloric intake per capita has increased from only about 5 percent in the very poor year of 1960/61 to about 18 percent in 1964/65. These foods, together with grains, would provide an estimated caloric intake per capita of about 2,000 calories per day in 1964/65 compared with about 2,300 calories in 1957/58 (see Table 3). Although there will be seasonal variations in availability, vegetables, fruits, and meats will continue to provide a valuable supplement to the diet if there is no significant retreat from the regime's permissive attitude toward private plots and free markets. There is no evidence at this time that the regime intends any marked shift back to the much more restrictive commune system.

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Table 1

Communist China: Estimated Production
of Major Agricultural Commodities
1957-64

Commodity	Million Metric Tons							
	1957	1958	1959	1960	1961	1962	1963	1964
Total grain	185 <u>a/</u>	200	165	160	165	180	175	170 <u>b/</u>
Rice	86	91	81	79	82	82	74	78
Wheat	24	27	26	22	17	23	23	22
Miscel- laneous grains <u>c/</u>	53	45	37	37	41	46	52	44
Tubers <u>d/</u>	22	37	21	22	25	29	26	26
Ginned cotton	1.6	1.8	1.3	1.2	1.0	0.8	0.8	1.0

a. Official figure.

b. Preliminary.

c. Including corn, barley, kaoliang, and millet.

d. Computed on a grain equivalent basis of 4 to 1.

Table 2

Communist China: Retained Imports of Grain
by Quantity and Value a/
1961-64

Year	Thousand Metric Tons	Million US \$
1961	5,481	298
1962	5,004	303
1963	5,489	316
1964 <u>b/</u>	6,605	423

a. Not including Chinese purchases for reexport to other destinations.

b. Preliminary.

Table 3

Communist China: Estimated Daily Availability
of Food Per Capita
Selected Years, 1957/58 - 1964/65

<u>Calories per Day Per Capita</u>	
<u>Consumption Year ^{a/}</u>	<u>Amount</u>
1957/58	2,300
1960/61	1,600
1961/62	1,800
1962/63	1,900
1963/64	2,000
1964/65 ^{b/}	2,000

a. 1 July - 30 June.
b. Preliminary.

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Analysts:



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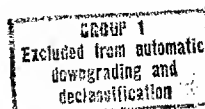
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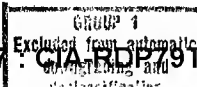
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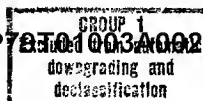
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